



WISCONSIN STATE REPRESENTATIVE
Louis J. Molepske, Jr.
71ST ASSEMBLY DISTRICT

Senate Bill 192
The Wisconsin Military Family Relief Act

I. Background

- A. The State of Wisconsin currently has **18,000** residents in the Army National Guard and Reserves.
1. Army National Guard and Reserve members currently comprise approximately **49%** of United States armed forces overseas.
 - a. With an additional **21,500** troops being sent overseas over the course of the next year, these numbers are sure to increase.
 2. There are roughly **7,000** Wisconsin troops serving on active duty (Marines, Air Force, Army, Navy).
 - a. These 7,000 active duty members have approximately **9,000** dependants.
- B. Approximately **56%** of National Guard and Reserve members are married, and approximately **55%** of these families suffer a loss of income as a result of their service.
1. Military families make financial commitments based upon pre-activation civilian salaries. When activation orders arrive there are still bills to pay despite a loss of wages.
 - a. **49%** of married National Guard and Reserve members report a loss of income (civilian pay versus military pay) of at least **\$1,000 per month**.
 - b. **15%** of married National Guard and Reserve members report a decrease in pay of at least **\$30,000 per year**.
 2. During times of economic hardship, military families are forced to sell their homes and move in with family or friends while their loved ones are deployed.
 3. Worse yet, troops in financial dire straits have been victimized by pay-day lenders that charge exorbitant interest rates.

- a. Annual Percentage Rates (APR's) vary between **300%** to over **1,000%** on many pay-day loans (Wisconsin currently has no statutory limit).
 - b. Last fall, in an attempt to address this problem, Congress passed the Talent/Nelson Amendment which placed a 36% cap on consumer loan interest rates to military borrowers.
- 4. The result is not only economic hardship for the family, but emotional hardship for the soldier as well.
 - a. Military families have enough stress as it is; the last thing they should need to worry about are necessities such as food and shelter.
- C. **51% of National Guard and Reserve members cite loss of income as a reason to leave the military.**

II. The Problem

- A. Although Wisconsin has a number of excellent support programs for veterans, as the numbers above illustrate, there is room for improvement in regards to programs for deployed soldiers.
- B. Recent events at Walter Reed Medical Center in Washington D.C. have further underscored the need for additional resources for our active military personnel.
- C. **Senate Bill 192** was introduced last session with **45 co-sponsors** in an attempt to address this problem. Although Senate Bill 192 was unanimously referred out of committee, it never came before the full Assembly for a vote.

III. Senate Bill 192: The Wisconsin Military Family Relief Act

A. Mechanics:

- 1. The Wisconsin Military Family Relief Act, which currently has **58 co-sponsors** and the support of the **National Military Family Association**; the **Wisconsin Department of Military Affairs**; the **Wisconsin Department of Veterans Affairs**; the **CVSO Association**; the **Vietnam Veterans of America**; and **numerous military families**, will allow Wisconsin residents to say "thank you" to our active military personnel and their immediate families (defined as spouse and dependant children) by making a voluntary donation on their income tax returns.

- a. Similar programs currently exist for endangered resources; professional football districts; breast cancer research; fire fighters memorials; veterans trust funds; multiple sclerosis programs; and prostate cancer research
2. Donations will be placed in a non-lapsable trust fund to be administered by the Wisconsin Department of Military Affairs (DMA), an organization that is uniquely qualified to assess the needs of our active military personnel.
 - a. In addition to donations made on tax returns, citizens may also make private donations, gifts or bequests to the trust fund.
 - b. Start-up costs aside (estimated at \$3,000), expenses associated with administering the Wisconsin Military Family Relief Act will be provided for through donations to the fund.
3. The Department of Military Affairs will directly distribute the donated funds to the immediate families of Wisconsin residents enlisted in the National Guard or Reserves who are serving on active duty in the United States Military.
 - a. The Department of Military Affairs will be asked to promulgate rules establishing eligibility criteria and the amount of financial aid to be distributed. It is expected that these rules will be based upon those already established in the State of Illinois.

B. Procedural Protections:

1. Under the Wisconsin Military Family Relief Act, donors will be assured that their generous contributions will be going to Wisconsin soldiers and their families rather than towards a scam or administrative costs.
 - a. State and federal records show that 27 Wisconsin non-profits that rely on professional solicitors to raise money receive between only **8 and 15 cents of every dollar donated.**
 - b. Veterans organizations have been particularly hard hit, receiving an average of only **12 cents on the dollar.**
2. It is easy to simply talk about "supporting our troops," but this bill gives people an actual means of doing so. Donating money to the fund is an excellent way of saying "thank you" to our brave citizen soldiers who make extraordinary sacrifices to protect our country.

C. Proven Track Record of Success:

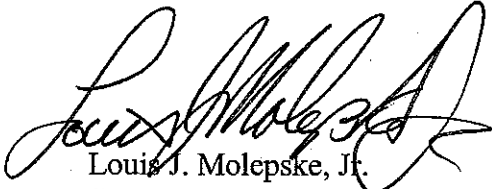
1. Similar programs have had tremendous success in other states as well as in Wisconsin.
 - a. As of January 2007, the State of Illinois has distributed over **\$6.7 million to 10,305** military families in need.
 - b. As of March of 2007, **33** states (including Illinois) have enacted some form of a military family relief act.

D. Senate Bill 192 will help to protect our Military Ranks:

1. The financial assistance provided by the Wisconsin Military Family Relief Act will help to ensure that more soldiers are not forced to consider leaving the military due to financial hardship.

Thank you very much for your consideration of this proposal.

Sincerely,



Louis J. Molepske, Jr.
State Representative
71st Assembly District

CHANGES IN SUBSTITUTE AMENDMENT

Section 3 (1a) – “Immediate family” means the spouse, unremarried spouse, and dependent children of a service member who are residents of this state.

Expands definition of immediate family to include the unremarried spouses of troops killed in active duty.

Section 3 (1b) – “Service member” means a member of the U.S. armed forces or of the national guard who is a resident of this state and who is serving on active duty in the U.S. armed forces, or a member of the U.S. armed forces or of the national guard who died on active duty, or in the line of duty while on active or inactive duty for training purposes.

Expands definition of service member to include all troops in active duty, regardless of branch of service.

Section 3 (2) – The department of military affairs shall provide financial aid to eligible members of the immediate family of service members. The department of military affairs shall promulgate rules establishing eligibility criteria and the amount of financial aid. The rules shall specify that, if the immediate family receives payments under s. 45.40, they may not receive aid under this subsection for the same purpose.

Procedural change designed to prevent “double dipping” by grant applicants (Wis. Stat. 45.40 is the Department of Military Affairs’ equivalent to the Wisconsin Military Family Relief Act).

Section 10 (1) – There is transferred from the veterans trust fund to the military family relief fund \$6,695 in fiscal year 2007-08.

Procedural change required to transfer funds already collected by Department of Veterans Affairs under Wis. Stat. 45.40 to Department of Military Affairs for distribution to military families in need.

Quick facts about National Guard and Reserve activation

- Total number of National Guard members and reservists on active duty, as of March 2, 2005: **183,366**
- Total number (rounded off) of National Guard members and reservists activated at some point since the Sept. 11 attacks: **430,000**
- • Percentage of American troops in Iraq who are National Guard or Reserve forces: **40%**
- Percentage of National Guard members and reservists who are married, as of May 2004: **56%**
- • Percentage of married Guard members and reservists who report a loss of income over civilian jobs, as of May 2004: **55%**
- • Percentage of married Guard members and reservists who report a decrease in pay of \$1,000 a month or more, as of May 2004: **49%**
- Percentage of married Guard members and reservists who report a decrease in pay of \$30,000 a year or more, as of May 2004: **15%**
- Percentage of married Guard members and reservists who report an increase in pay, as of May 2004: **42%**
- Number of private and public employers already subsidizing or planning to subsidize the military pay of employees when they're activated by the National Guard and Reserve: **963**
- Percentage of Guard members and reservists who are self-employed: **6%**
- Percentage of National Guard members and reservists who've turned to military family support organizations for assistance, as of May 2004: **18%**
- Estimated number of military families expected to seek child care subsidies from a new Defense Department program: **6,000-8,000**
- • Percentage of National Guard members and reservists who cite loss of income as a reason to leave the military, as of May 2004: **51%**
- • Percentage of National Guard members and reservists who cite family burdens as a reason to leave the military, as of May 2004: **71%**
- Percentage of National Guard members and reservists who cite too many activations and/or deployments as a reason to leave the military, as of May 2004: **57%**
- Percentage of National Guard members and reservists who cite lengthy activations and/or deployments as a reason to leave the military, as of May 2004: **65%**
- Percentage of Guard members and reservists likely to continue in the Guard or Reserve, as of May 2004: **66%**

Sources: U.S. Department of Defense; May 2004 Defense Dept. Survey "The Status of Forces";



National Military Family Association, Inc.

2500 North Van Dorn St., Suite 102 • Alexandria, VA 22302-1601 • (703) 931-6632 • Fax (703) 931-4600 • www.nmfa.org

The Voice
for Military
Families

May 8, 2007

Representative Louis Molepske Jr.
Room 111 North
State Capitol
Madison, WI 53708

Dear Representative Molepske:

The National Military Family Association (NMFA) is the only national organization whose sole focus is the military family and whose goal is to influence the development and implementation of policies that will improve the lives of the families of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Commissioned Corps of the Public Health Service and the National Oceanic and Atmospheric Administration. For more than 35 years, its staff and volunteers, comprised mostly of military family members, have built a reputation for being the leading experts on military family issues. On behalf of NMFA and the families it serves, we thank you for your work on behalf of the military families in Wisconsin.

Your bill to create a 'Military Family Relief Fund' would provide much needed financial assistance to Guard and Reserve families in Wisconsin. NMFA has heard from many families about the challenge of balancing financial obligations when a service member is deployed. Many Guard and Reserve families face these challenges under the additional strain of lost income when the service member becomes activated. These families have made financial commitments based upon their civilian salaries, when activation orders arrive there are still mortgage and utility bills to pay despite a loss of wages.

Payday lenders are currently a significant threat to the readiness and financial health of our military families. While Congress recently passed legislation to curb predatory lending practices, many military families find themselves falling prey to these services. The Wisconsin Military Family Relief Fund would provide families in need with an alternative for financial assistance, rather than forcing them deeper in debt.

Just as importantly, this program would provide generous citizens with the opportunity to support military families close to home. We regularly receive calls from people who want to show their support for our men and women in uniform. The Wisconsin state relief fund will provide these patriotic citizens a way to support military families with the simple act 'checking a block' on their tax returns.

Military families, especially those of deployed service members, are called upon to make extraordinary sacrifices. The Military Family Relief Fund offers military families options in these trying circumstances. Thank you for your continued support of military families.

Tanna K. Schmidli
Chairman, Board of Governors



Vietnam Veterans of America

Wisconsin State Council

*Mike Demske • President • 928 North 16th St. • Manitowoc, WI 54220-3106
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e-mail mikedemske@co.manitowoc.wi.us*

June 6, 2007

Honorable Louis J. Molepske, Jr.
111 North State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Representative Molepske:

I am writing in support of your Wisconsin Military Family Relief Act. As you may know the motto of the Vietnam Veterans of America is "Never Again Will One Generation Of Veteran Abandon Another". I know a number of young people that have been activated by the National Guard and Reserves and their families do struggle to make ends meet.

I have had the privilege to meet some of these young men and women that have been severely wounded, along with their families, at the Walter Reed Army Hospital. Believe me these are some of our country's finest young people and they deserve all of the help that we can provide them and their families. I am extremely proud to have them defend our country.

Sincerely

Mike Demske, President
Vietnam Veterans of America
Wisconsin State Council

Lisa Ligman
8805 State Hwy 54
Amherst, WI 54406
June 11, 2007

Assembly Chair the Honorable Terry Musser
Assembly Committee on Military Affairs

Dear Terry Musser and Members of the Committee:

I am writing to ask you to support passage of Bill 362. This bill will provide a check-off box so Wisconsin residents can donate a portion of their income tax refund or other money to a fund set up to help families of active-duty soldiers.

Two and a half years ago my husband Jeff and I had to face the reality that he being a Navy Reservist, had to report for active-duty. With the short notice of his deployment we were left with hardships that many military families faced; the sole income provider was to leave. Even with the military and hardship pay we qualified for it was not enough to replace what we were living off of prior to his deployment. Benefits that some employers offered to their employees were not there for us since we were self-employed. We had to live day to day. The transition period from civilian/reservist to active-duty left us with out income for over a month and diminished our savings. Now 2 ½ years later we still have not been able to come back and replenish our savings.

Jeff did his reserve time in Illinois but did not qualify for the grants or support offered to deploying resident troops. With long searching we found out that the State of Wisconsin did not offer us any grants or support. We hit a hardship of trying to communicate and live on what little he was making. Fortunately with the help of family and friends we were able to make ends meet. To find out that Wisconsin did not offer us anything was astonishing. For Illinois offers grants and support to military families.

Jeff has 6 more months to stay with his family before his 3 year time table to say "I wish not to be activated" draws near. We bought back our business and hope we never have to face another hardship like we did his first activation. With 3 ½ more years left of reserve time before he can retire we hope that the State of Wisconsin will do more to offer their military families something for the sacrifice they give for every ones' freedom. To know that there is a possibility for help is a good feeling. It eases the tension on my husband knowing that I and our four children have the help we will need if active-duty calls again.

I think that this is an important bill. It will benefit the military families by assisting in maintaining a norm that families can rely on if needed. The emotional stress faced for all families to live out of their norm is enormous, and the littlest support is the most effective.

Thank you for your support.

Sincerely,



Lisa Ligman
Wife of EOC Jeffrey Ligman



Operation Home Front



"To care for him who shall have borne the battle" - Abraham Lincoln

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How to Apply for the Illinois Military Family Relief Fund

The below application form can be viewed, printed, and downloaded in Adobe PDF format. (Click here to download Adobe Acrobat Reader)

The Illinois Military Family Relief Fund (IMFRF), signed into law in 2003 by Governor Rod R. Blagojevich, provides monetary grants (see below) to families of Illinois National Guard members and Illinois residents serving in the U.S. Armed Forces Reserve components who were called to active duty as a result of the September 11, 2001 terrorist attacks.

IMFRF grants (listed below) are intended to help families defray the costs of food, housing, utilities, medical services, and other expenses that become difficult to afford when a wage-earner has temporarily left civilian employment to be placed on active military duty.

Beginning in 2004, donations are also accepted through a voluntary check off on Illinois individual income tax forms.

To apply for a grant:

1. Attach copies of all required documentation – incomplete applications will be returned
2. All grants awarded on first-come, first-served basis (casualty based grants given top priority)
3. Timeliness of payment will be determined by amount of funds available at

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updates and action alerts

- time of application
- Complete entire form, (click to download form) sign and date, make a copy for your records, then send the original, signed, application to:

Illinois Department of Military Affairs
 Attn: IMFRF Coordinator
 1301 N. MacArthur Blvd.
 Springfield, IL 62707-2399

Status based grant: flat rate of \$500
Based solely on member's military status

- Service members can apply regardless of marital status.
- Rank must be no higher than O-3 or W-3.
- Service members can submit only DD214 instead of orders and LES.
- If orders are submitted, copies of LES's must also be submitted.
- Orders must state one of the following:
 - Operation Noble Eagle/Enduring Freedom/Iraqi Freedom
 - Operation Southern Watch/Northern Watch
 - Executive Order #13223
 - Any future operations as determined by the President or Governor of Illinois.
- Service member must have been deployed for 30 consecutive days or more.
- If submitting an LES, it MUST be within the period of service on the activation orders.
- Application must be signed.

Need-based grant: up to \$2,000 (maximum)
Based on family's financial need

- Must include all rules listed in Status Based Grant except for marital status – SINGLE PEOPLE ARE INELIGIBLE FOR THIS GRANT.
- Must submit monthly civilian AND military pay stub to show the service member sustained a 30% or greater decrease from his or her civilian salary.
- Must submit proof of expenses or bills.
- Must submit a signed statement on what the grant will be used for.
- This grant will only pay the amount of bills attached to this application up to

the amount of \$2,000.

Casualty-based grant: flat rate of \$2,000
Based on injury

- Must include all rules listed in Status Based Grant.
- Service member must submit documentation stating that they were injured due to HOSTILE ACTION as follows in the new IMFRF rules:

“Proof that the service member sustained an injury as a result of a terrorist activity or as a direct result of a hostile action, sustained in combat or relating thereto, or sustained going to or returning from a combat mission provided that the occurrence was directly related to hostile action, including injuries to service members who are wounded mistakenly or accidentally by friendly fire directed at a hostile force or what is thought to be a hostile force.”

- Service members that submit paperwork stating other than injury due to a hostile action will be denied. A \$0 amount will be paid if the service member does not already qualify for the \$500 grant.

To apply for a grant

- Attach copies of all required documentation – incomplete applications will be returned
- All grants awarded on first-come, first-served basis (casualty based grants given top priority)
- Timeliness of payment will be determined by amount of funds available at time of application
- Complete entire form, (see below) sign and date, make a copy for your records, then send the original, signed application to:

Illinois Department of Military Affairs
Attn: IMFRF Coordinator
1301 N. MacArthur Blvd.
Springfield, IL 62707-2399

Questions? Call the IMFRF Program Coordinator: 1-866- 524-ILNG(4564)

Illinois Department of Military Affairs
1301 N. MacArthur Boulevard
Springfield, Illinois 62702

Illinois Military Family Relief Fund Application

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COMMITTEE ON VETERANS AND MILITARY
AFFAIRS, BIOTECHNOLOGY AND FINANCIAL
INSTITUTIONS, HEARING 1 AUGUST 2007.

Good morning Senator Sullivan and committee members. I am Larry Olson the Executive Assistant at the Department of Military Affairs. With me is Ms. Randi Milsap and Maj Dave Dziobkowski both members of our legal staff.

We are here today in support of SB 192 which will create an individual income tax checkoff for the military family relief fund.

First I would like to brief you on our current Family Assistance program. The Wisconsin Family program is supported and funded by National Guard Bureau. Our Wisconsin Family Assistance Center Vision and Mission are included in your handouts.

The vision of family program is:

Build a functional multi-service Family Assistance Center that is recognized statewide for its support to all military services, their families, and referral to community resources.

The mission of the Family Assistance Center is:

Assist family members of all services by referring them to community resources they may need while their service member is deployed.

Additionally there is a Wisconsin map with the location of our family assistance centers and points of contact.

As you can see we are already missioned and organized to support Wisconsin military families.

When these centers are contacted for financial assistance for a needy family the only present source of support is donations from the various service organizations. We greatly appreciate the support of these service organizations but Wisconsin can do better and should join numerous other states that provide a stable, constant and supportable fund for its military families.

We look forward to working with our legislators, the Governors office, the Wisconsin Department of Veterans Affairs, and the service organizations, to meet the needs of our service members and families. Working together we can develop rules establishing eligibility criteria to assist our military families as needed.

Thank you for your time and commitment to our Wisconsin service members and families.

from DMA

Family Assistance Center Vision

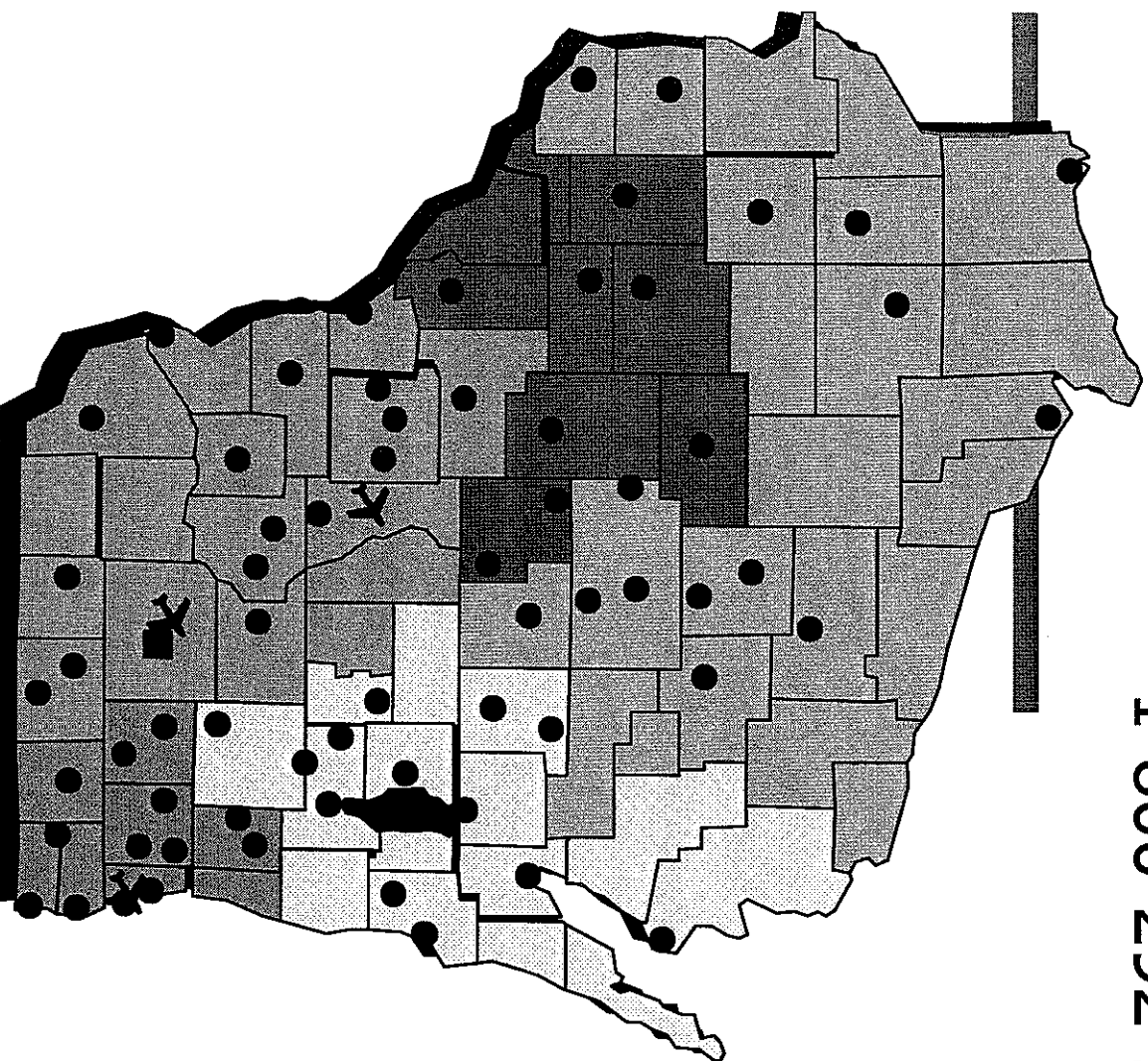
Build a functional multi-service Family Assistance Center that is recognized statewide for its support to all military services, their families, and referral to community resources.

Family Assistance Center Mission

To assist family members of all services by referring them to community resources they may need while their service member is deployed.

FAMILY ASSISTANCE CENTERS

1-800-292-9464



■ State Headquarters

Chief Management Operations Branch

LTC Meg Blankschein - 608-242-3723

FAC Administrator

Carolyn Morgan 608-242-3414

■ Northern Region

Jerry Clark - 608-516-3599

Tara Zarm - 715-498-0785

Sue Garz - 715-498-0788

■ Fox Valley

Bernie Kropidlowski - 920-420-0276

■ South West Region

Al Boothby - 608-513-2892

■ South East Region

Rebecca Boehlke - 414-531-2093

■ South Central Region

Bill Hasz - 608-219-8672



State of Wisconsin • DEPARTMENT OF REVENUE

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PHONE (608) 266-6466 • FAX (608) 266-5718 • <http://www.revenue.wi.gov>

Jim Doyle
Governor

Roger M. Ervin
Secretary of Revenue

Senate Veterans and Military Affairs, Biotechnology and Financial Institutions Committee
Hearing, August 1, 2007

Senate Bill 192 – Creating an Individual Income Tax Check-off for the Military Family Relief Fund (Senator Sullivan)

Description of Current Law and Proposed Change

Under current Wisconsin law, taxpayers may donate to any of seven charitable funds listed in their individual income tax returns. The designated donation amount either increases the payment due at the time the return is filed or decreases the amount that is refunded to the taxpayer.

Under this bill, a new charitable check-off would be created for the Military Family Relief Fund. The total donations, less the cost of administering the check-off, are to be used to provide financial aid to the immediate family of members of the National Guard or reservists who are serving in active duty in the U.S. armed forces.

Administrative Impact/Fiscal Effect

- Historical data show that the introduction of a new check-off is generally associated with an increase in total donations and a decrease in donations to previously existing check-offs. For example, the Breast Cancer Research check-off was added to individual income tax forms in 2004 and raised \$330,000. Donations to previously existing funds decreased by \$150,000. In tax year 2005, the Veterans Trust Fund check-off was added to individual income tax forms and raised \$130,000. Donations to the other check-off funds decreased during that year by \$110,000.
- The extent to which individual charities raise money depends on their popularity and both the number and substitutability of existing charities. Although the effect of the Military Family Relief Fund check-off is not known, it is expected that a portion of its donations will come from new donors and a portion will be the result of taxpayers substituting donations from other check-off charities.
- Adding a check-off for any charity will increase the public visibility of that charity and have a positive impact on fundraising. The check-offs also allow taxpayers a convenient method of contributing to their chosen charities.

Prepared by: Brad Caruth (608) 261-8984

July 27, 2007

BC:skr

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